

**DRAFT MINUTES OF THE TOWN OF GILBERT, ARIZONA SELF-INSURED TRUST FUND FOR
HEALTH INSURANCE BENEFITS BOARD OF TRUSTEES MEETING
CONFERENCE ROOM 300, 50 E. CIVIC CENTER DR., GILBERT, ARIZONA
October 23, 2019**

MEMBERS PRESENT: Anthony Panepinto, Chairman
Councilmember Jared Taylor – via telephone
Mary Dellai
Kelly Pfof
Lindy Mitchell

MEMBERS ABSENT: None

STAFF PRESENT: Kristen Drew, Human Resources Manager
Donna Pedrera, Sr. Human Resources Analyst
Nathan Williams, Chief People Officer
Cris Welch, Budget Analyst
Carlos Lampkin, Budget Analyst
Anthony St. George, Accounting Assistant Manager
Ivy Wong, Accounting Supervisor

GUESTS PRESENT: Lindsey LaRue, Willis Towers Watson

1. Call to Order

Chairman Panepinto called the meeting to order at 5:06 PM.

2. Roll Call

Ms. Pedrera called roll and a quorum was declared.

3. Oath of Office

Ms. Pedrera administered the Oath of Office to Mary Dellai and Lindy Mitchell.

4. Communication from Citizens

None

5. Financial Reports as of June 30, 2019 and September 30, 2019

Motion.

Mr. St. George reviewed the revised financial reports as of June 30, 2019, which show a positive net position for both medical and dental for a total of \$7.4M, as well as the financial reports as of September 30, 2019, which show a positive net position of \$6.9M. This is due in part to increased claims costs due to several large claims in the past quarter.

Mr. Panepinto motioned to approve the financials as presented and Ms. Pfof seconded the motion. The motion passed 5 – 0.

6. Review of Plan Dashboard

Discussion only.

Ms. LaRue reviewed the plan dashboard effective June 2019. Information is positive, with enrollment increasing 6%, an increase in claims costs of 1.6%, which is below national trends. The plan is running at 88% of accrual, which is very good. There are more high claimants over \$50K than this time last year and those were reviewed as to status. There was some discussion on which claims may be ongoing or which may be eligible for subrogation. Three claims have hit stop loss deductibles at this point, and reimbursements will come in on those. Staff will continue to monitor other large claims that are close to the stop loss threshold, with the assistance of Willis Towers Watson and Aetna.

7. Update on Wellness Program

Discussion only.

Ms. Drew gave an update on the wellness program, which was requested by the Town Manager in FY16, and implemented with existing staff. The program operates with \$50K that is reimbursed by Aetna, and is having a positive impact on the organization with improved employee engagement scores. It is also having a positive impact on the fund with six employees sharing that they have been able to discontinue medication for chronic conditions, such as diabetes and hypertension, due to the efforts of the wellness program. The estimated savings to the plan for those employees is \$70,616. Plan data shows other opportunities for improvement with obesity, depression, diabetes, and high cholesterol. The Benefits Team is requesting a full-time position for FY21, which will continue to focus on employees and dependents with chronic conditions to increase savings to the health fund and continue improving employee engagement. In addition, staff will be asking for increased funds as part of the RFP process for third-party administrator and network.

8. Discussion of Upcoming RFP

Discussion only.

Ms. Drew stated that Gilbert is in the last year of a 3-year contract with Aetna, so staff will be working with Willis Towers Watson on an RFP for network and third-party administrator services. While there are no concerns with Aetna, it is responsible to conduct an RFP to ensure we are receiving the best services for the best price. Some employee interests in regard to proposals include increased naturopath and holistic services and providers, expanded options for acupuncture, and expanded options for orthotics. Staff interests include onsite or near-site clinic options, continued level of customer support, increased level of wellness support, and cost savings vs. disruption. Ms. Drew confirmed that stop loss coverage would also be included in the proposals. The Board had no additional specific interests to add.

Ms. Drew reviewed the general RFP timeline, which includes staff working with Willis to gather necessary data. WTW will present a summary of proposals at the January meeting, where the Board will identify one or more finalists. If multiple finalists, presentations will be made in Executive Session and a final decision is made in regular session. This could be the same meeting or may require an additional meeting. Plan design is also discussed in February and March for approval in March. For the purposes of the process, Ms. Drew will schedule additional meetings on February 12 and March 4, in addition to the normal meetings on February 26 and March 25. Any meetings not needed will be cancelled. Board recommendations go to Council in April for a May open enrollment. Staff is planning for the April 7 council meeting.

9. Staff Update and Future Agenda Items

Information and Discussion only.

Ms. Drew reported that staff is working on near clinic options and has discussed with Banner as well as Paladina, which is an organization proposing a joint clinic with Gilbert Public Schools. Staff is evaluating options and including this in the RFP. Any final proposals would be brought to the Board for review and approval.

Staff is coordinating a Flu Clinic with two dates and locations this year compared to one last year. Banner Occupational Health facilitates the shots and the fund is billed for the immunizations.

Flexible Spending open enrollment is in November and staff is working to increase enrollment by 10% as this is beneficial to employees for helping with their out-of-pocket health costs.

98point6, our telemedicine option, has had great utilization and excellent feedback. This was a good decision that benefits the employees, their dependents, and the fund.

The next quarterly meeting is scheduled for January 22, 2019.

10. Approval of Minutes of Prior Meetings

Motion.

Ms. Dellai motioned to approve the minutes of July 24, 2019 and Ms. Pfof seconded the motion. Council Member Taylor abstained as he was not present at the meeting. The motion passed 5 – 0.

11. Adjournment

Mr. Panepinto motioned to adjourn the meeting. Ms. Pfof seconded the motion. The motion passed 5-0. The meeting adjourned at 5:47 PM.

Anthony Panepinto, Chairman

ATTEST: _____
Kristen Drew
Human Resources, Benefits Manager